

107TH CONGRESS  
2D SESSION

# H. R. 5636

To establish a student loan forgiveness program for nurses.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 2002

Mr. TANCREDO introduced the following bill; which was referred to the  
Committee on Education and the Workforce

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## A BILL

To establish a student loan forgiveness program for nurses.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Nurse Loan Forgive-  
5       ness Act of 2002”.

6       **SEC. 2. ESTABLISHMENT OF PROGRAM.**

7       (a) STAFFORD LOANS.—Part B of title IV of the  
8       Higher Education Act of 1965 is amended by inserting  
9       after section 428K (20 U.S.C. 1078–11) the following new  
10      section:

1 **“SEC. 428L. LOAN FORGIVENESS FOR NURSES.**

2 “(a) STATEMENT OF PURPOSE.—It is the purpose of  
3 this section to encourage individuals to enter and continue  
4 in the nursing profession.

5 “(b) PROGRAM AUTHORIZED.—From the amount ap-  
6 propriated under subsection (g) for any fiscal year, the  
7 Secretary shall, in accordance with subsection (c), carry  
8 out a program, through the holder of the loan, of assum-  
9 ing the obligation to repay a qualified loan amount for  
10 a loan made under section 428 or 428H for any borrower  
11 who—

12 “(1) has been employed for 3 consecutive cal-  
13 endar years as a full-time registered nurse in a  
14 health care facility or a health care setting approved  
15 by the Secretary of Health and Human Services for  
16 purposes of this section; and

17 “(2) is not in default on a loan for which the  
18 borrower seeks forgiveness.

19 “(c) QUALIFIED LOANS AMOUNT.—

20 “(1) IN GENERAL.—Except as provided in para-  
21 graph (2), the Secretary may, from funds appro-  
22 priated under subsection (g)(1), repay not more  
23 than \$5,000 in the aggregate of the loan obligation  
24 on a loan made under section 428 or 428H that is  
25 outstanding after the completion of the third com-  
26 plete year of nursing described in subsection (b)(1).

1           “(2) ADDITIONAL AMOUNTS.—Notwithstanding  
2           the amount specified in paragraph (1), the aggregate  
3           amount that the Secretary may, from funds appro-  
4           priated under subsection (g)(2), repay is a total  
5           amount equal to not more than \$12,000 for any reg-  
6           istered nurse who, in addition to meeting the re-  
7           quirements of subsection (b), has been employed as  
8           required by such subsection for 5 consecutive cal-  
9           endar years.

10           “(3) AWARD BASIS.—The Secretary shall make  
11           payments under this subsection on a first-come first-  
12           served basis, subject to the availability of appropria-  
13           tions.

14           “(4) TREATMENT OF CONSOLIDATION LOANS.—  
15           A loan amount for a loan made under section 428C  
16           may be a qualified loan amount for the purposes of  
17           this subsection only to the extent that such loan  
18           amount was used to repay a Federal Direct Stafford  
19           Loan, a Federal Direct Unsubsidized Stafford Loan,  
20           or a loan made under section 428 or 428H for a  
21           borrower who meets the requirements of subsection  
22           (b), as determined in accordance with regulations  
23           prescribed by the Secretary.

1       “(d) REGULATIONS.—The Secretary is authorized to  
2 issue such regulations as may be necessary to carry out  
3 the provisions of this section.

4       “(e) CONSTRUCTION.—Nothing in this section shall  
5 be construed to authorize any refunding of any repayment  
6 of a loan.

7       “(f) PREVENTION OF DOUBLE BENEFITS.—

8               “(1) NATIONAL AND COMMUNITY SERVICE.—No  
9 borrower may, for the same service, receive a benefit  
10 under both this subsection and subtitle D of title I  
11 of the National and Community Service Act of 1990  
12 (42 U.S.C. 12571 et seq.).

13              “(2) DIRECT LOAN FORGIVENESS.—No bor-  
14 rower may receive a reduction of loan obligations  
15 under both this section and section 460A.

16       “(g) AUTHORIZATION OF APPROPRIATIONS.—For fis-  
17 cal year 2003 and for each of the 4 succeeding fiscal years,  
18 there are authorized to be appropriated such sums as may  
19 be necessary—

20              “(1) to repay loans in the amount specified in  
21 subsection (c)(1); and

22              “(2) to repay loans in the additional amount  
23 specified in subsection (c)(2).”.

1 (b) DIRECT LOANS.—Part D of title IV of the Higher  
2 Education Act of 1965 is amended by inserting after sec-  
3 tion 460 (20 U.S.C. 1087j) the following new section:

4 **“SEC. 460A. LOAN FORGIVENESS FOR NURSES.**

5 “(a) STATEMENT OF PURPOSE.—It is the purpose of  
6 this section to encourage individuals to enter and continue  
7 in the nursing profession.

8 “(b) PROGRAM AUTHORIZED.—From the amount ap-  
9 propriated under subsection (g) for any fiscal year, the  
10 Secretary shall carry out a program of canceling the obli-  
11 gation to repay a qualified loan amount in accordance with  
12 subsection (c) for Federal Direct Stafford Loans and Fed-  
13 eral Direct Unsubsidized Stafford Loans made under this  
14 part for any borrower who—

15 “(1) has been employed for 3 consecutive cal-  
16 endar years as a full-time registered nurse in a  
17 health care facility or a health care setting approved  
18 by the Secretary of Health and Human Services for  
19 purposes of this section; and

20 “(2) is not in default on a loan for which the  
21 borrower seeks forgiveness.

22 “(c) QUALIFIED LOANS AMOUNT.—

23 “(1) IN GENERAL.—Except as provided in para-  
24 graph (2), the Secretary may, from funds appro-  
25 priated under subsection (g)(1), cancel not more

1       than \$5,000 in the aggregate of the loan obligation  
2       on a loan made under section 428 or 428H that is  
3       outstanding after the completion of the third com-  
4       plete year of nursing described in subsection (b)(1).

5           “(2) ADDITIONAL AMOUNTS.—Notwithstanding  
6       the amount specified in paragraph (1), the aggregate  
7       amount that the Secretary may, from funds appro-  
8       priated under subsection (g)(2), cancel is a total  
9       amount equal to not more than \$12,000 for any reg-  
10      istered nurse who, in addition to meeting the re-  
11      quirements of subsection (b), has been employed as  
12      required by such subsection for 5 consecutive cal-  
13      endar years.

14          “(3) AWARD BASIS.—The Secretary shall cancel  
15      loan amounts under this subsection on a first-come  
16      first-served basis, subject to the availability of ap-  
17      propriations.

18          “(4) TREATMENT OF CONSOLIDATION LOANS.—  
19      A loan amount for a loan made under section 428C  
20      may be a qualified loan amount for the purposes of  
21      this subsection only to the extent that such loan  
22      amount was used to repay a Federal Direct Stafford  
23      Loan, a Federal Direct Unsubsidized Stafford Loan,  
24      or a loan made under section 428 or 428H for a  
25      borrower who meets the requirements of subsection

1 (b), as determined in accordance with regulations  
2 prescribed by the Secretary.

3 “(d) REGULATIONS.—The Secretary is authorized to  
4 issue such regulations as may be necessary to carry out  
5 the provisions of this section.

6 “(e) CONSTRUCTION.—Nothing in this section shall  
7 be construed to authorize any refunding of any repayment  
8 of a loan.

9 “(f) PREVENTION OF DOUBLE BENEFITS.—

10 “(1) NATIONAL AND COMMUNITY SERVICE.—No  
11 borrower may, for the same service, receive a benefit  
12 under both this subsection and subtitle D of title I  
13 of the National and Community Service Act of 1990  
14 (42 U.S.C. 12571 et seq.).

15 “(2) STAFFORD LOAN FORGIVENESS.—No bor-  
16 rower may receive a reduction of loan obligations  
17 under both this section and section 428L.

18 “(g) AUTHORIZATION OF APPROPRIATIONS.—For fis-  
19 cal year 2003 and for each of the 4 succeeding fiscal years,  
20 there are authorized to be appropriated such sums as may  
21 be necessary—

22 “(1) to repay loans in the amount specified in  
23 subsection (c)(1); and

- 1 “(2) to repay loans in the additional amount
- 2 specified in subsection (c)(2).”.

